

Message Text

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72

ACTION EB-11

INFO OCT-01 ARA-16 ISO-00 CIAE-00 COME-00 DODE-00 FMC-04

INR-10 NSAE-00 RSC-01 CG-00 COA-02 DLOS-06 L-03 DRC-01

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R 172135Z JAN 74

FM AMEMBASSY GUATEMALA

TO SECSTATE WASHDC 1820

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E.O. 11652: N/A

TAGS: ETRN GT US

SUBJECT: STATUS DELTA-FLOMERCA NEGOTIATIONS

REF: GUATEMALA 5929

1. OPTIMISM VOICED BY DELTA OFFICIAL IN REFTEL APPARENTLY BASED ON MISREADING OF SITUATION BY DELTA. FLOMERCA MANAGING DIRECTOR MIRON TOLD EMBOFF HE CABLED DELTA ON 1/15 REQUESTING SCHEDULED 1/17 VISIT OF DELT OFFICIALS BE POSTPONED UNTIL AFTER CONCLUSION OF FLOMERCA APPEAL TO FMC OF LATTER'S FINE OF FLOMERCA RE ITS ASSOCIATION AGREEMENT WITH PAN AMERICAN MAIL LINE; THIS MAY TAKE SEVERAL MONTHS. MIRON ADDED THAT FLOMERCA'S BOARD OF DIRECTORS SEES LITTLE VALUE TO FLOMERCA IN SIGNING AGREEMENT WITH DELTA. ALSO FLOMERCA AUTHORITIES FEEL GUATEMALAN SHIPPING LAW NO MORE DISCRIMINATORY THAN U.S. AS EXPORTS OPEN TO COMPETITION AND ONLY EXONERATED IMPORTS RESERVED FOR FLOMERCA.

2. COMMENT: FLOMERCA OFFICIALS APPARENTLY HOPE THAT BECAUSE OF DELTA'S EXPRESSED INTEREST IN REACHING AN AGREEMENT, LATTER IN GOODWILL EFFORT WILL INTERVENE WITH FMC TO HAVE FINE IMPOSED ON FLOMERCA LIFTED. EVEN IF FMC ACTS POSITIVELY IN ISSUE, HOWEVER, WE DOUBT THAT FLOMERCA WILL ACCEPT DELTA AGREEMENT AS CURRENTLY CONCEIVED. FLOMERCA AGREEMENT WITH DELTA REQUIRING NO ROYALTY PAYMENT BY LATTER WOULD JEOPARDIZE OTHER FLOMERCA ROYALTY AGREEMENTS

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WITH THIRD COUNTRY SHIPPING LINES WHICH BASIS OF GREAT PART OF

FLOMERCA'S PROFITS. EMBASSY BELIEVES THAT BEFORE A FLOMERCA-DELTA AGREEMENT CAN BE REACHED, DELTA WILL HAVE TO SHOW FLOMERCA HOW LATTER WILL REPLACE LOST PROFITS DERRIVED FROM ROYALTY AGREEMENTS WHICH PRESUMABLY WILL BE SUSPENDED BECAUSE OF PRECEDENT OF NON-PAYING AGREEMENT WITH DELTA.

DECONTROL DATE: 1/16/75.
DREYFUSS

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Message Attributes

Automatic Decaptioning: X
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Concepts: PROFITS, AVIATION AGREEMENTS, AIRLINES, NEGOTIATIONS, BUSINESS LOSSES
Control Number: n/a
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Draft Date: 17 JAN 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Executive Order: N/A
Errors: N/A
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Handling Restrictions: n/a
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30 JUN 2005

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Type: TE
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